

STATE HEALTH BENEFIT PLAN TOBACCO/SPOUSAL SURCHARGE Q & As

Tobacco/Spousal Surcharge Questions

- Question 1:** Have you or any of your covered dependents used any tobacco products in the previous 12 months?
Yes – monthly tobacco surcharge will apply. **No** – no tobacco surcharge.
- Question 2:** Is your spouse eligible for health benefit coverage through his/her employment?
Yes - Please answer Question 3 **No** – Questions finished – no spousal surcharge
- Question 3:** Is your spouse enrolled in health benefit coverage through his/her employment?
Yes – Questions finished – no spousal surcharge **No** – Please answer Question 4
- Question 4:** Is your spouse eligible for SHBP coverage through his/her employment?
Yes – Questions finished-no spousal surcharge **No** – Questions finished-monthly spousal surcharge will apply.

1. Is there a separate tobacco surcharge for each covered member? **NO**. There will be a monthly charge if you have family coverage and one or multiple family members use tobacco products.
2. If I have family coverage but do not have a spouse listed, will the spousal surcharge apply? **NO**
3. If my spouse is covered by his/her employer and I also cover him/her under SHBP, will the surcharge apply? **NO**
4. If my spouse is also eligible for coverage by SHBP, will the spousal surcharge apply? **NO**
5. If my spouse's company will not allow him/her to pick-up coverage until their open enrollment period, will I still have to pay the surcharge? **YES**
6. What happens if my spouse sends in notification of other coverage at a later time? Upon receipt of a letter from the other employer showing the effective date of the group health insurance coverage, the spousal surcharge will be discontinued the first of the month following receipt of the documentation. The documentation must be submitted within 31 days of the date of the other coverage. No refund of health insurance premiums at the higher rate will be made.
7. What happens if I answer "NO" for my teenage child for the tobacco surcharge question and find out at a later date that the child is using tobacco, will the penalty of loss of coverage apply? How will that be handled? Notify the Plan immediately. Self-reporting will not be subject to the penalty.

How will I know if the Spousal Surcharge should apply?

If an employee answers the questions in the box **Question 2 Yes** and **Question 3 No**, the surcharge will apply. If the employee feels there are extenuating circumstances not addressed by the above questions where the Spousal Surcharge should not apply, the employee still should answer the questions honestly and may submit a request for determination. The following

information will be required from the spouse's employer on company letterhead and signed by a company official.

- (1) Does your employer offer a health insurance program and contribute to the cost of the premiums?
- (2) Does your employer offer health benefits through a cafeteria (125) program?
- (3) Can an employee through your company receive additional compensation instead of receiving health benefits?

If the answer is yes to any of the above questions, the surcharge will apply. If the answer is no, please submit the letter to your employer.

Prior to/during Open Enrollment – an employee can request this information prior to or during Open Enrollment and submit to the State Health Benefit Plan by the end of open enrollment for review. If it is determined, that the spousal surcharge should not apply, you and your payroll location will be notified prior to the first deduction in June for July coverage.